



Sidewalk and Transit Amenities Program (STAP)

Steering Committee
RFP Development Update and Discussion

September 30, 2020

Impact of COVID 19

The COVID-19 pandemic has had a dramatic impact on out of home advertising revenues worldwide; street furniture has been an especially bright light within the out of home market during the world-wide lockdowns as the medium was used to encourage people to wear masks and to practice social distancing. The use of digital out of home media to communicate public information, advice and support during the pandemic demonstrates the value of street-level advertising.

RFP Timeline

- Issue RFP: October 2020
 - Proposals Due January 2021
 - Enter Contract Negotiations Spring 2021
 - Execute New STAP Contract Late Summer/Early Fall 2021
- Existing Coordinated Street Furniture Program expires December 21, 2021

Current Contract Transition

- Current contract does not include specific language pertaining to transition to a new contract
- Current contract includes language that may limit ability to allow a new contractor to advertise on existing street furniture for a 5 year period without compensating existing contractor OUTFRONT JC Decaux
- Our goal is to allow STAP to be implemented without being hindered by current contract terms

RFP Concept to Address Contract Transition

- Plan to replace ~ 700 existing transit shelters at the highest revenue generating locations with digital-ready shelters and kiosks during the first Program year; start fabrication of new structures upon receipt of Notice to Proceed, with the expectation that new furniture installations may start in early 2022, generate revenues during the first year to sustain the new Program, and stay clear of current contract termination conditions.
- RFP will require the successful proposer to pay a first year only \$6 million minimum annual guarantee to ensure continued revenues and program services. It is anticipated the successful proposer will be able to recuperate this upfront payment through new revenues realized from new digital media displays at the ~700 highest performing locations.

Site Selection Process and Roll-Out of New Furniture

- Current Contract's Site Selection and Approval process deemed lengthy and cumbersome
- STAP expects to provide 1,100+ additional transit shelters to expand services to ~ 3,000 bus stops City-wide.
- Installation of new furniture within initial Program years is necessary to achieve anticipated service and revenue goals
- STAP expects a commitment to sustainability in the materials used as well as energy consumption.

RFP Concept

- Detail STAP priorities and provide proposers with access to GIS based maps reflecting bus stop locations, existing transit furniture locations, and STAP priorities
- Expect a 3 to 4 year Council approved roll-out process with annual site approvals in combination with blanket permit/authorization
- Expect to provide funding to Public Works bureaus to facilitate engineering plan acceptance, electrical service connections, and construction inspection
- Expect to finalize details of Program roll-out through negotiations with successful proposer.

Automated Public Toilets

- Public Toilets remain an important and necessary health and convenience service feature
- Automated Public Toilets (APTs) are the most expensive part of all street furniture programs worldwide. A self-cleaning toilet costs \$150,000 to buy on average; utility connections and installation costs typically exceed \$100,000 per site excluding engineering and permits
- Maintenance costs for one self-cleaning toilet typically exceeds \$100,000 per year.
- Attendants staffing toilets currently cost the City \$200,000 annually per site; attendants are only on-site 12 hours daily.

RFP Concept

- Moving APTs from the STAP into its own program with a goal to expand services
- Continue operation of the 15 existing APTs via a lease agreement with OUTFRONT JC Decaux, LLC, to continue existing services without disruption with the expectation of replacing them over time with open source, automated or conventional toilet designs similar to those currently in use by the Department of Recreation and Parks and other agencies
- STAP revenues may be used to support the APT program; a portion of the \$6 million up-front payment may be dedicated to continue APT operations during the first Program year.

Digital Advertising

- Increasingly, digital displays are being used to reach audiences by location, time of day, and demographics, allowing advertisers to coordinate their creative content across channels and devices to maximize the effectiveness of the advertising; digital displays frequently support services and products being promoted online by the same companies generating increased revenues
- The current CSFP inventory does not include any digital displays; we expect digital displays will be key to achieving desired revenue and service goals

RFP Concept

- Digital screens and its network will allow STAP to deliver on the promise of presenting impactful real-time information to transit users and public service messages along with commercial messaging.
- Requires that the successful proposer deploy digital devices that are self-monitoring and reporting so the brightness of the displays can be controlled by ambient light levels. Self-monitoring devices reduce electrical consumption and intensity of displays; illumination and electrical power levels are adjusted from minimal needs at night or deep shade, to moderate levels with overcast skies, to higher levels in direct sunlight.
- Smart Technology-STAP may become a foundation of the city's digital infrastructure

Minimum RFP Requirements

- Developed to result in a 'performance-based' agreement that rewards the contractor based upon achievement of measurable goals.

RFP Concept

- *Capital Commitment Options to offset STAP element fabrication and installation costs in return for a higher share of revenue. Proposers will be asked to provide a schedule of varying CAPEX participation levels and commensurate expected services and revenues; City expected to determine funding mechanism if CAPEX participation provides added desirable benefits*
- *Removes minimum annual guarantees after first year to share market risk and achieve higher share of revenues*
- *Mandates annual physical and financial audits to verify that the City is receiving its full share of program revenues; requires successful proposer to submit annual business and sales plans.*
- *Requires annual review of the rates at which STAP advertising space is sold and disclosure of all other advertising assets operated in the Los Angeles Market.*
- *City reserves the right to enter into other agreements to generate revenue from other forms of advertising placed in its Rights-of-Way*